

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on January 31, 2001 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)
Rep. James Whitaker (R)

Members Excused: Rep. Rod Bitney, Vice Chairman (R)

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB394, 1/25/2001
Executive Action: HB355, HB379, HB380

HEARING ON HB394

Sponsor: REP. CHRISTINE KAUFMAN, HD53, Helena

Proponents: Don Judge, Montana AFL-CIO
Wendy Young, WEEL
Kimberly Einsentrager, Montana People's Action
Gene Fenderson, Montana Joint Heavy Highway
Commission

Opponents: Adin Myhre, Montana Chamber of Commerce
Brad Griffin, Montana Retail & Restaurant Assn.
Riley Johnson, National Federation of Independent
Businesses
Mike Strand, Montana Independent Telecom Systems
Jeff Feiss, Montana Telecommunication Assn.

Opening Statement by Sponsor:

REP. KAUFMAN, HD53, Helena, stated this was an all new law, not amended sections. She said it might be called "the business accountability act" or "the taxpayer protection act." The act would require an agreement between government and businesses receiving subsidies and repayment when the goals of the subsidy had not been met. She said this act would not apply to broad tax reductions or a business subsidy of less than \$25,000. There would be a two-year window to meet the goals. If goals were partially met, the payback could be prorated. A public purpose for the subsidy would be a requirement and public hearings would be required when sums exceeded \$200,000 for state government , and \$50,000 for local government. She said the act should answer questions concerning the wise use of public dollars.

Proponents' Testimony:

Mr. Judge cited a few examples of loans which had not been paid back and which had not done what they were supposed to do. He said what the bill did not do was ask what kind of jobs, pay and benefits had been created by the subsidy.

Ms. Young said she represented low income families in Montana. She supported the bill.

Ms. Einsentrager said she supported the bill and represented 1000's of grassroot citizens.

Mr. Fenderson stated this bill has been needed for a long time and will start accountability, but did not go far enough. He asked the committee to pass the bill, however.

Opponents' Testimony:

Ms. Myhre said businesses hoped they would be successful, but there were a high percentage of business failures in the first few years. She said there should not be penalties imposed on beginning businesses, such as having to hold hearings. She noted some enterprises which receive subsidies are charities and would have difficulty making re-payment if they were unable to meet their goals.

Mr. Griffin said he did not disagree with the concept of accountability, but he thought this bill was burdensome . He observed the eight pages of written regulations would require a full time employee, and the act would impact more businesses than the sponsor realized.

Mr. Johnson said the average business in Montana had 3-5 employees and \$200,000 or less in gross sales. He noted flexibility was needed as well as capital to run a business. Businesses did not need a lot of paperwork and regulations.

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Mr. Strand said he supported accountability, but he saw this bill as micro-managing by government. He noted if companies had to provide notice of their business plan, others would compete against them.

Mr. Feiss called the bill "business unfriendly." He said the legislature determined if the loan was worthwhile, and it was inconsistent to put these restraints back on the business. He told the committee this was an anti-business bill, and if a company saw this rule on the books, they would reconsider moving to Montana.

Questions from Committee Members and Responses:

REP. GALLIK asked **Mr. Johnson** if this bill was similar to the full-cost accounting bill for state government introduced by **REP. BROWN**. **Mr. Johnson** replied that the difference was government had better resources than a small business with 3-5 employees.

REP. BOOKOUT-REINICKE asked **Mr. Kaufman** if a hearing was required every time. **Mr. Kaufman** replied that the hearing was only for

subsidies over \$200,000 for state government and \$50,000 for local government, and the hearing was used to set up criteria.

Closing by Sponsor:

REP. KAUFMAN said this is a new policy, therefore it should not be passed lightly. She told the committee corporations receiving subsidies should be evaluated in some manner and taxpayers had the right to know how their money was being used. She added she would be glad to work with the committee on the bill.

EXECUTIVE ACTION ON HB355

Motion: **REP. GALLIK** moved that **HB355 DO PASS.**

Discussion:

Motion: **REP. BROWN** moved an amendment to **HB355.**

Discussion:

REP. BROWN introduced a "conscious clause" amendment. He said he was concerned about vagueness and thought the bill should be more specific about what a religious institution is.

REP. GALLIK moved a substitute amendment for **REP. BROWN's** amendment. After some discussion he withdrew his motion.

REP. BROWN moved to segregate his Amendments 1-3 from 4,, and to adjust the title accordingly.

The motion passed unanimously by Voice Vote.

REP. BROWN moved his Amendment 4.

REP. GALLIK moved to replace **REP. BROWN's** 4 with his 2.

REP. BROWN opposed the amendment because he said people with a moral objection to contraceptive prescription services would be required to pay an increased premium.

REP. GALLIK asked if it was fair for a few people with a moral objection to impact someone else's contraception coverage.

The Gallik Amendment failed 8-11 with Matthews, Gallik, Galvin-Halcro, Juneau, Keane, Fritz, Musgrove, and Tramelli voting aye.

The Brown Amendment passed 15-4 with Gallik, Matthews, Galvin-Halcro and Juneau voting no.

Motion: REP. BROWN moved that HB355 DO PASS AS AMENDED.

Discussion:

REP. BROWN told the committee that nearly half of all pregnancies were unintended, and he asked the members to remember that applied to everyone who was now in the room. He asked the committee to do what had been done before when the bill had come to the committee and that was to table this bill.

REP. GALLIK responded that all unintended pregnancies do not work out well and that there are social and economic lifetime costs of unintended pregnancies.

REP. MUSGROVE said he would support the bill because he felt that if there was a male contraceptive it would be covered.

REP. BITNEY said the legislature sees this bill every session. He told the committee that more insurance coverage results in higher insurance premiums.

REP. LAIBLE noted that the representative from Planned Parenthood had told him birth control was available on a sliding scale cost to any one who wanted it in Montana. He also noted some insurance policies offered choice of contraceptive coverage. He said it was wrong to mandate something which was available by choice.

CHAIRMAN MCKENNEY opposed the bill saying there was a fixed amount of money people can spend on health insurance. He said the committee had heard testimony that employees had been surveyed as to what was most important to them in insurance coverage. He noted that contraception coverage was way down on the health care needs'list.

The motion failed 8-11 with Matthews, Gallik, Galvin-Halcro, Juneau, Keane, Fritz, Musgrove, and Tramelli voting aye.

Motion/Vote: REP. BROWN moved that HB355 BE TABLED. Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Matthews, Musgrove, and Tramelli voting no.

EXECUTIVE ACTION ON HB379

Motion: REP. GALVIN-HALCRO moved that HB379 DO PASS.

Discussion:

REP. GALVIN-HALCRO moved to amend HB379.

The voice vote on the amendment carried unanimously.

REP. GALVIN-HALCRO Moved HB379 As Amended.

Discussion:

REP. BITNEY said he could not support the bill because it was a further impediment to economic development and it may discourage businesses from coming into the state. Furthermore, he said breaks would become a benefit which formerly had been part of collective bargaining if the bill passed.

REP. MUSGROVE told the committee when a telemarketing operation came to Havre the town was excited about good jobs . He said there were 145 applications for 45 jobs. However, since then there had been a lot of turnover and the employees were being treated as "sweat shop labor." He said this bill would give dignity to the workers.

CHAIRMAN MCKENNEY said this is a free country and citizens have choices. If they do not like the work situation, they can leave. He stated if the employer was not considerate of the worker, they would not be in business long.

REP. BOOKOUT-REINICKE said the company in Great Falls did not seem to care about the worker and it was unhealthy for workers not to have restroom breaks.

REP. GALVIN-HALCRO said a company in Great Falls required the workers to "stay plugged into the switchboard" until they were released to go home.

REP. FRITZ said many teachers, especially music teachers and kindergarten teachers, had to go many hours without a break, and had a very high rate of urine poisoning.

The vote passed 10-9 with Bitney, Brown, Himmelberger, Laible, Lawson, Rome, Steinbeisser, and Whitaker voting no.

EXECUTIVE ACTION ON HB380

Motion: REP. LAWSON moved that HB380 DO PASS.

Discussion:

REP. BROWN said he could not support the bill even though it had good intentions.

REP. LAIBLE said the insurance providers need to have as many tools as possible, especially for e-commerce, and opposed the bill.

REP. GALLIK supported the bill because he said it will prevent insurance companies from only writing business on the "cream of the crop." He said the insurer would still have the ability to use credit rating in underwriting.

REP. BROWN said he had not seen a compelling need for this bill and he would vote no.

The motion failed 7-12 on HB380 with Bitney, Matthews, Brown, Himmelberger, Laible, Lawson, Price, Bookout-Reinicke, Rome, Steinbeisser, Whitaker, and McKenney voting aye.

Motion/Vote: REP. LAIBLE moved that HB380 BE TABLED. Motion carried 12-7 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting no.

ADJOURNMENT

Adjournment: 10:30 A.M.

REP. JOE MCKENNEY, Chairman

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT (buh25aad)